

## Rise in Cuban Sugar Cost Laid Upon Menocal

President a Director of Company, Whose Profits Were \$5,500,000 in Year, Will Not Tell the Lusk Board

U. S. Blunder Again Aired

Witness Says Government Failure to Buy Up Crop Permitted Prices to Soar

The Lusk joint legislative committee investigating the high cost of living started yesterday a few inside facts about the 200 per cent rise in the price of sugar since last January. The witnesses were Henry W. Wilnot, vice president of the Cuban-American Sugar Company, and Harry Balfe, chairman of Austin Nichols & Co.

From Mr. Wilnot the committee learned that the price of raw sugar last January when it advanced almost 100 per cent to ten and one-half cents a pound. Mr. Wilnot admitted that the Cuban-American Sugar Company, which handles a big share of the Cuban crop, had a big share of the Cuban crop. The committee also learned from Mr. Wilnot that while there is a cane crop shortage of about twenty per cent this year because of the drought the lessened European consumption, due to rationing, more than compensates for this so far as the supply for the United States is concerned.

**400,000 Ton Crop Shortage**

After Mr. Wilnot had testified that the Cuban planters expected a big price for their cane because of the drought, which he referred to as a catastrophe, and had been questioned about the extent of the resulting crop loss, Chairman Lusk asked:

"So that there will be about 400,000 tons less produced this year than last year is that right?"

"Yes," replied Mr. Wilnot.

"And that is the extent of the catastrophe, isn't it?"

"It is less than twenty per cent diminution in this year's crop as compared with last year's crop."

"Yes, but there have been many new planters."

"That being the extent of the catastrophe, as you describe it, where is the reason for a 200 per cent increase in price with the twenty per cent reduction in crop?"

"I think the answer to that lies in the fact that it is a world commodity; it is a world situation."

"Then that gets down to this, doesn't it, that the purchasers of sugar have taken advantage of the world situation in the extent of increasing the price to 200 per cent over what it was last year; isn't that the fact?"

"Mr. Wilnot hesitated and then replied:

"Of course they are taking advantage, but I should like to point out to you that those who had the matter in hand last July—here is a letter to the chairman of the Sugar Equalization Board urging them to do something. It is almost prophetic."

Mr. Wilnot read portions of this letter and then Percy Morse, the counsel public accountant, assisting the committee, asked:

"Wasn't the staple price fixed in Cuba by the President of Cuba at ten and a fraction?"

"For the consumer," replied Mr. Wilnot.

"What was the price before January, 1920?"

"The whole of Cuba's crop was on a sugar acre."

**Economic Factors**

"What economic factors entered in to make up the difference between 6 1/2 and 10 and a fraction cents in the increased cost of producing raw sugar?"

"The farmer."

"What was his increased cost?"

"No increased cost."

"None at all," asked Mr. Morse, with an air of surprise.

"When cost went absolutely none, everything has increased. The cost of living increased down there."

"But you say the cost had increased very little when the President of Cuba made the 10-cent price?"

"To anybody who planted the cane there was no increased cost."

The examiners then trailed off into a series of queries about fertilizers, capitalization and was finally switched back by Chairman Lusk to President Menocal's efforts at price fixing. He asked:

"But Mr. Wilnot, the difference here is so great, 100 per cent, inside of a month or so, when the President of Cuba fixed the price at 10 cents?"

"Purchase by United States Urged"

"He had fixed the price at which it was controlled. He could not ignore the market conditions," replied Mr. Wilnot.

After a few more questions were asked under the record a letter sent last July by President Menocal, of Cuba, and Manuel Rionda, of the company, and Manuel Rionda to George A. Zabriskie, head of the Sugar Equalization Board, urging that Cuba's 1920 crop be purchased by the United States.

Samuel Berger, Assistant Attorney General, took up the examination at the conclusion of the reading of the letter. He asked:

"Now the predictions that were made by the writers of that letter have practically all occurred?"

"Yes, that is pretty near what happened. We felt so confident they would stabilize it that we actually sold at six and one-half cents."

"And if the suggestions had been adopted the price of sugar would have been stabilized, wouldn't it?"

"That is what we are after. Stabilization, it might be six, six and one-half or seven cents. It would have been a stabilized price, a fair price to everybody."

"And to that extent you agree with the FAVORITE"

Mark Twain swore by American food as he did by the American flag.

While touring Europe, he sent home a list of dishes to await him on his return.

Five of them were made of corn which is of all edibles the most thoroughly American.

And one of the five was cornmeal cakes, a popular griddle specialty at CHILDS.

Real Virginia cornmeal cakes with delicious butter and maple-flavored syrup.

CHILD'S

CHILD'S

CHILD'S

CHILD'S

CHILD'S

CHILD'S

CHILD'S

CHILD'S

CHILD'S

CHILD'S

CHILD'S

CHILD'S

CHILD'S

CHILD'S

the testimony of Mr. Hoover yesterday, that if these suggestions had been adopted the American public to-day would be paying not in excess of 13 cents a pound for sugar retail."

"I do not see why they should be paying 13 cents," replied Mr. Wilnot. "Will you be good enough to figure out what would have been the retail price for sugar to the American public to-day had these suggestions been carried out?"

"Six and a half cents—add 50 for freight—and duty, and give the refiner two and a half cents—I suppose that is all he wants—that is 11 cents, the refiner could sell it at, less 1, and a cent for the jobber; say 12 cents—it would be about 12 cents."

"They thought they would get enormous prices."

Mr. Wilnot in reply to questions then testified that his company has been paying a 10 per cent dividend, and that last September its surplus was \$22,000,000. This surplus, he said, was increased \$5,500,000 last year. The total capitalization is \$18,000,000.

Chairman Lusk asked many questions about the organization of the Cuban-American Sugar Company and its subsidiaries which enough to figure out what would have been the retail price for sugar to the American public to-day had these suggestions been carried out?"

"Yes," have among your board of directors the President of Cuba, President Menocal?"

"Yes,"

Chairman Lusk asked you a question, and Mr. Wilnot replied:

**Menocal on Ten Years**

"How recently had he been on your board of directors?"

"Well," replied Mr. Wilnot, "he has been on a good ten years or so."

"How long has he been President down there?"

"Next May it will be eight years."

"Was he taken on before or after he became President?"

"He was with us before. He ceased to be with us when he became President, except that his name stayed there. He never wished it to be taken off, and we had no objection. He never attended any meetings."

The rest of the examination tended to show that the sugar production has increased steadily in Cuba since 1913 and that last year's production was unusually large.

Mr. Balfe, of Austin Nichols & Co., told the committee that the high cost was caused in a large measure by the cane crop shortage, which would not do a full day's work and who loaded at every opportunity.

He said his firm was losing money on the sugar handled and that it was forced to buy much of its sugar from speculators.

During the examination of Mr. Balfe, Mr. Morse said:

"It has been testified here that there are probably a million and a half tons of raw sugar either in Cuba or in transit, or in storehouse in Cuba or here, or in the refineries or somewhere. I would like to ask you if you know where that sugar is; where it is stored, who has it?"

Mr. Balfe looked hopeful.

"I don't know where it is, but I wish I did," he replied earnestly.

The rest of Mr. Morse's questions along this line indicated he believed that speculators were holding the sugar.

The hearings will be resumed tomorrow afternoon at 2:30 o'clock in the offices of the Attorney General, 51 Chambers Street.

**Refiners Held in Boston Sugar Plot**

**Two Arrested on Charges of Hoarding and Profiteering on a Big Scale**

BOSTON, May 25.—The Federal government to-day took action against sugar refiners here for alleged profiteering and hoarding.

The Revere Sugar Refiners and Henry E. Worcester, its vice-president, were charged with exacting excessive prices and with holding sugar from the market. The American Sugar Refining Company and W. K. Green, its general manager, were charged with selling sugar at excessive prices. The complaints asserted that the companies had made millions of dollars by hoarding and regulating the price.

Worcester and Green were arrested. The government says that the companies set the price of sugar for all New England except Connecticut. It is alleged that the refiners sold to independent companies who acted as brokers and who violated an agreement reached at a conference in Washington for regulating distribution of sugar to the retail trade.

The Revere refinery, which grows sugar, according to the complaint, withheld its product from the market to the extent of millions of pounds, creating a scarcity, with attendant high prices. It is charged specifically that on April 14 at this point the Revere refinery withheld 65,000 bags of sugar and that on May 21 it exacted excessive prices on another lot.

On the latter date the American company is alleged to have exacted a price of from 15 to 21 cents a pound for sugar which cost the company only 6 1/2 cents a pound.

The quotations in the government's complaint were on sales at wholesale.

Federal agents asserted that they found evidence of 57,000,000 pounds of sugar which had been bought at prices from 8 1/2 to 7 cents a pound and sold to wholesalers at a range of 13 to 22 cents a pound. These agents said the Revere refinery had withheld to date 72 per cent of its production.

The amount of sugar which was being held on April 14 was set by the Federal investigators at 60,000,000 pounds.

Worcester and Green were released on their personal recognizance, after a hearing had been set for June 4.

The Independent Sugar Company, jobber, was charged with obtaining excessive prices in another complaint. It was alleged that it sold for 24 1/2 cents a pound sugar which was bought for 12 cents a pound. Meyer Isakson, general manager, represented the company and agreed to be in court for a hearing on June 4.

**Riley in Conference With Sugar Brokers**

**Chief of "Flying Squadron" Is Said To Be Investigating a Mysterious Rise in Prices**

Representatives of the city's largest sugar brokerage and jobbing interests conferred yesterday with Armin W. Riley, chief of the Department of Justice "flying squadron," in the offices of Carmikow-Rionda & Co., 112 Wall Street.

Representing the sugar interests were Manuel Rionda, E. L. Lueder, of Minford & Lueder, 106 Wall Street, and A. H. Lamborn, of Lamborn & Co., 132 Front Street. The meeting was behind closed doors.

It is understood that one of the conditions discussed was the steady rise of sugar prices during the last ten days despite the campaign of the "flying squadron" to curb profiteering.

Two indictments were returned by a Federal grand jury yesterday—one against an alleged sugar hoarder and another against an alleged sugar profiteer. Both were unimportant cases involving small amounts of sugar.

**Many Cancellations**

"The average retailer," according to the manager of a cloak and suit manu-

facturing establishment which does a business of \$5,000,000 a year, "is so disconcerted by this wave of price-slashing and the publicity it has gained in the newspapers that he wants to take no chance on the future market and consequently is getting out of his commitments wherever possible."

Cancellations of orders for plush and other pile fabric coats for fall selling, he said, amounted to but 7 per cent of the total of about \$1,000,000 worth of orders his firm had taken.

In the men's clothing trade many retailers who placed orders for fall clothing in March have canceled a large portion of them.

Cancellations have been heavy in the shoe trade and have resulted in the closing of some of the New England and Brooklyn factories, or have cut down their operation to a few days a week. Retailers and other users of cotton goods are canceling orders in such large quantities that the Cotton Textile Association, composed of about 110 leading houses, this week passed a resolution calling upon the members of the body to "refuse cancellations and insist upon acceptance of merchandise."

**Price of Silk Tumbling**

A contract bureau is being formed by the Silk Association of America to deal with cancellations or returns of merchandise. The American Association of Woolen and Worsted Manufacturers

went on record last week as opposing cancellations.

The price of silk is tumbling rapidly and will soon drop under what it was in pre-war times, said Mitsui Shigeda, general manager of Mitsui Bussan Kaisha, which operates a big department store in Osaka, Japan. He was a passenger for Southampton on the American liner New York yesterday. He said there are enormous quantities of silk in the warehouses of China and Japan. Japan, he said, will have to unload her silk at a sacrifice.

**Montana Man to Open Democratic Convention**

**U. Bruce Kremer Gets Office at First National Meeting West of the Rockies**

WASHINGTON, May 25.—U. Bruce Kremer, of Montana, vice-chairman of the Democratic National Committee, will call the Democratic National Convention to order in San Francisco on June 25.

Mr. Kremer was selected, the national committee announced to-night, because Chairman Cummings has been designated to act as temporary chairman of the convention, and it was thought fitting that a Western man should open the first convention of the party to be held west of the Rocky Mountains.

**Lever Act Is Upheld By U. S. Circuit Court**

**Judge Manton. Rules Amendments Governing Profiteers Are Constitutional**

SYRACUSE, N. Y., May 25.—Federal Judge Martin T. Manton, of the Circuit Court of Appeals, this morning declared the Lever act amendments, under which profiteering indictments have been obtained, to be constitutional.

He dismissed demurrers filed by Weeds, Inc., of Birmingham, to its indictment for profiteering on eight counts and ordered that Weeds' proceed to trial here at once.

Judge Manton was one of three judges of the Circuit Court of Appeals before whom arguments as to the constitutionality of the Lever act amendments were argued ten days ago in New York.

**Guardsmen Seek Recruits**

A drive for recruits will be begun by the 23d Regiment, National Guard, of Brooklyn, in the armory to-night. There will be a boxing show this evening, a stag smoker to-morrow evening and athletic games on Friday night.

**Wilson Approves Promotions Of Nine To Be Rear Admirals**

WASHINGTON, May 25.—Approval by the President of naval selection board recommendations that nine officers, now holding the temporary rank of rear admiral, be promoted to the rank on the permanent rolls was announced to-day by Secretary Daniels.

The officers, all of whom now hold the permanent rank of captain, are Josiah S. McKean, Newton A. McCully, Andrew T. Long, Thomas Washington, Guy H. Burrage, Ashley H. Robertson, Samuel S. Robison, Charles F. Hughes and Henry A. Wiley.

The board's recommendations of permanent rank of captain for twenty-two commanders also were approved.

**Kew Gardens Inn**

Kew Gardens, Long Island

**NOW OPEN**

A residential hotel of the highest type amid beautiful surroundings. Run entirely on the American plan. 35 minutes from Pennsylvania Station. 35 trains each way daily.

**Under KNOTT Management**

GEO. H. WARTMAN, Manager

ing held on April 14 was set by the Federal investigators at 60,000,000 pounds.

Worcester and Green were released on their personal recognizance, after a hearing had been set for June 4.

The Independent Sugar Company, jobber, was charged with obtaining excessive prices in another complaint. It was alleged that it sold for 24 1/2 cents a pound sugar which was bought for 12 cents a pound. Meyer Isakson, general manager, represented the company and agreed to be in court for a hearing on June 4.

**Riley in Conference With Sugar Brokers**

**Chief of "Flying Squadron" Is Said To Be Investigating a Mysterious Rise in Prices**

Representatives of the city's largest sugar brokerage and jobbing interests conferred yesterday with Armin W. Riley, chief of the Department of Justice "flying squadron," in the offices of Carmikow-Rionda & Co., 112 Wall Street.

Representing the sugar interests were Manuel Rionda, E. L. Lueder, of Minford & Lueder, 106 Wall Street, and A. H. Lamborn, of Lamborn & Co., 132 Front Street. The meeting was behind closed doors.

It is understood that one of the conditions discussed was the steady rise of sugar prices during the last ten days despite the campaign of the "flying squadron" to curb profiteering.

Two indictments were returned by a Federal grand jury yesterday—one against an alleged sugar hoarder and another against an alleged sugar profiteer. Both were unimportant cases involving small amounts of sugar.

**Many Cancellations**

"The average retailer," according to the manager of a cloak and suit manu-

facturing establishment which does a business of \$5,000,000 a year, "is so disconcerted by this wave of price-slashing and the publicity it has gained in the newspapers that he wants to take no chance on the future market and consequently is getting out of his commitments wherever possible."

Cancellations of orders for plush and other pile fabric coats for fall selling, he said, amounted to but 7 per cent of the total of about \$1,000,000 worth of orders his firm had taken.

In the men's clothing trade many retailers who placed orders for fall clothing in March have canceled a large portion of them.

Cancellations have been heavy in the shoe trade and have resulted in the closing of some of the New England and Brooklyn factories, or have cut down their operation to a few days a week. Retailers and other users of cotton goods are canceling orders in such large quantities that the Cotton Textile Association, composed of about 110 leading houses, this week passed a resolution calling upon the members of the body to "refuse cancellations and insist upon acceptance of merchandise."

**Price of Silk Tumbling**

A contract bureau is being formed by the Silk Association of America to deal with cancellations or returns of merchandise. The American Association of Woolen and Worsted Manufacturers

went on record last week as opposing cancellations.

The price of silk is tumbling rapidly and will soon drop under what it was in pre-war times, said Mitsui Shigeda, general manager of Mitsui Bussan Kaisha, which operates a big department store in Osaka, Japan. He was a passenger for Southampton on the American liner New York yesterday. He said there are enormous quantities of silk in the warehouses of China and Japan. Japan, he said, will have to unload her silk at a sacrifice.

**Montana Man to Open Democratic Convention**

**U. Bruce Kremer Gets Office at First National Meeting West of the Rockies**

WASHINGTON, May 25.—U. Bruce Kremer, of Montana, vice-chairman of the Democratic National Committee, will call the Democratic National Convention to order in San Francisco on June 25.

Mr. Kremer was selected, the national committee announced to-night, because Chairman Cummings has been designated to act as temporary chairman of the convention, and it was thought fitting that a Western man should open the first convention of the party to be held west of the Rocky Mountains.

**Lever Act Is Upheld By U. S. Circuit Court**

**Judge Manton. Rules Amendments Governing Profiteers Are Constitutional**

SYRACUSE, N. Y., May 25.—Federal Judge Martin T. Manton, of the Circuit Court of Appeals, this morning declared the Lever act amendments, under which profiteering indictments have been obtained, to be constitutional.

He dismissed demurrers filed by Weeds, Inc., of Birmingham, to its indictment for profiteering on eight counts and ordered that Weeds' proceed to trial here at once.

Judge Manton was one of three judges of the Circuit Court of Appeals before whom arguments as to the constitutionality of the Lever act amendments were argued ten days ago in New York.

**Guardsmen Seek Recruits**

A drive for recruits will be begun by the 23d Regiment, National Guard, of Brooklyn, in the armory to-night. There will be a boxing show this evening, a stag smoker to-morrow evening and athletic games on Friday night.

**Wilson Approves Promotions Of Nine To Be Rear Admirals**

WASHINGTON, May 25.—Approval by the President of naval selection board recommendations that nine officers, now holding the temporary rank of rear admiral, be promoted to the rank on the permanent rolls was announced to-day by Secretary Daniels.

The officers, all of whom now hold the permanent rank of captain, are Josiah S. McKean, Newton A. McCully, Andrew T. Long, Thomas Washington, Guy H. Burrage, Ashley H. Robertson, Samuel S. Robison, Charles F. Hughes and Henry A. Wiley.

The board's recommendations of permanent rank of captain for twenty-two commanders also were approved.

**Kew Gardens Inn**

Kew Gardens, Long Island

**NOW OPEN**

A residential hotel of the highest type amid beautiful surroundings. Run entirely on the American plan. 35 minutes from Pennsylvania Station. 35 trains each way daily.

**Under KNOTT Management**

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager

GEO. H. WARTMAN, Manager